

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W.R. GRACE & Co., <u>et al.</u> ,)	Case No. 01-01139 (JKF)
)	(Jointly Administered)
Debtors)	
)	

**FORTY-FIFTH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP, LLC,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM OCTOBER 1, 2007 THROUGH OCTOBER 31, 2007)**

Name of Applicant:	Capstone Advisory Group, LLC (formerly known as Capstone Corporate Recovery, LLC)
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 8, 2004 (<u>nunc pro tunc</u> to February 4, 2004)
Period for which compensation and reimbursement is sought:	October 1, 2007 through October 31, 2007
Amount of Compensation sought as actual, reasonable and necessary (80% of \$51,391.50):	\$ 41,113.20
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	<u>293.56</u>
Total Amount Due:	\$ 41,406.76

Capstone replaced FTI Consulting, Inc. ("FTI") as financial advisors to the Official Committee of Unsecured Creditors, nunc pro tunc to February 4, 2004, so ordered by the Court on June 8, 2004.

The total time expended and included herein for the July, August and September monthly fee statements and the Fifteenth Quarterly Fee Application is 17.3 hours and corresponding compensation requested is approximately \$5,096.00.

This is the Forty-Fifth Interim Application filed by Capstone. Disclosure for the current period and prior periods is as follows:

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**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
June 10, 2004	February 4, 2004 through February 29, 2004	\$94,882.00	\$3,932.07	\$75,905.60
June 10, 2004	March 1, 2004 through March 31, 2004	\$136,415.50	\$1,819.00	\$109,132.40
Totals First Quarterly	February 4, 2004 through March 31, 2004	\$231,297.50	\$5,751.07	\$185,038.00
June 12, 2004	April 1, 2004 through April 30, 2004	\$61,925.00	\$678.33	\$49,540.00
July 13, 2004	May 1, 2004 Through May 31, 2004	\$32,665.00	\$477.15	\$26,132.00
August 5, 2004	June 1, 2004 through June 30, 2004	\$106,470.50	\$1,119.63	\$85,176.40
Totals Second Quarterly	April 1, 2004 through June 30, 2004	\$201,060.50	\$2,275.11	\$160,848.40
August 31, 2004	July 1, 2004 through July 31, 2004	\$68,533.50	\$667.60	\$54,826.80
September 24, 2004	August 1, 2004 through August 31, 2004	\$99,215.50	\$1,341.49	\$79,372.40
October 28, 2004	September 1, 2004 through September 30, 2004	\$44,918.25	\$658.72	\$35,934.60
Totals Third Quarterly	July 1, 2004 through September 30, 2004	\$212,667.25	\$2,667.81	\$170,133.80

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Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
December 6, 2004	October 1, 2004 through October 31, 2004	\$57,592.50	229.77	\$46,074.00
December 22, 2004	November 1, 2004 through November 30, 2004	\$84,366.50	\$745.91	\$67,493.20
January 28, 2005	December 1, 2004 Through December 31, 2004	\$82,351.00	\$ 1,943.96	\$65,880.80
Totals Fourth Quarterly	October 1, 2004 through December 31, 2004	\$224,310.00	\$2,919.64	\$179,448.00
February 25, 2005	January 1, 2005 through January 31, 2005	\$69,477.00	\$276.18	\$55,581.60
March 29, 2005	February 1 through February 28, 2005	\$77,228.50	\$1,727.60	\$61,782.80
			-	
May 6, 2005	March 1, 2005 through March 31, 2005	\$126,012.00	\$ 494.94	\$100,809.60
Totals Fifth Quarterly	January 1, 2005 through March 31, 2005	\$272,717.50	\$2,498.72	\$218,174.00
June 3, 2005	April 1, 2005 through April 30, 2005	\$ 87,936.00	\$ 435.16	\$ 70,348.80
July 6, 2005	May 1, 2005 through May 31, 2005	\$119,435.00	\$1,275.00	\$ 95,548.00
July 15, 2005	June 1, 2005 through June 30, 2005	\$89,859.00	\$542.69	\$71,887.20

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Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
Totals Sixth Quarterly	April 1, 2005 through June 30, 2005	\$297,230.00	\$2,252.85	\$237,784.00
September 19, 2005	July 1, 2005 through July 31, 2005	\$90,014.50	\$621.03	\$72,011.60
October 7, 2005	August 1, 2005 through August 31, 2005	\$126,233.00	\$1,532.46	\$100,986.40
October 31, 2005	September 1, 2005 through September 30, 2005	75,983.50	\$482.03	\$60,786.80
Totals Seventh Quarterly	July 1, 2005 through September 30, 2005	\$292,231.00	\$2,635.52	\$233,784.80
December 16, 2005	October 1, 2005 through October 31, 2005	95,742.50	\$750.36	76,594.00
December 30, 2005	November 1, 2005 through November 30, 2005	\$118,062.00	\$1,119.74	\$94,449.60
February 9, 2006	December 1, 2005 through December 31, 2005	\$122,018.50	\$938.82	\$97,614.80
Totals Eighth Quarterly	October 1, 2005 through December 31, 2005	\$335,823.00	\$2,808.92	\$268,658.40
March 21, 2006	January 1, 2006 through January 31, 2006	\$85,745.00	\$631.01	\$68,596.00
April 20, 2006	February 1, 2006 through February 28, 2006	\$173,916.50	\$2,359.69	\$139,133.20

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Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
May 9, 2006	March 1 through March 31, 2006	\$141,040.50	\$1,017.99	\$112,832.40
Totals Ninth Quarterly	January 1, 2006 through March 31, 2006	\$400,702.00	\$4,008.69	\$320,561.60
May 23, 2006	April 1, 2006 through April 30, 2006	\$125,055.00	\$1,929.46	\$100,044.00
June 21, 2006	May 1, 2005 Through May 31, 2006	\$146,396.50	\$965.43	\$117,117.20
July 20, 2006	June 1, 2006 Through June 30, 2006	\$140,368.50	\$1,263.86	\$140,368.50
Totals Tenth Quarterly	April 1, 2006 through June 30, 2006	\$411,820.00	\$4,158.75	\$329,456.00
	Adjustment for July photocopies		\$(6.55)	
August 25, 2006	July 1, 2006 through July 31, 2006	\$102,449.00	\$566.51	\$ 81,959.20
October 2, 2006	August 1, 2006 Through August 31, 2006	\$111,154.00	\$505.01	\$88,923.20
November 13, 2006	September 1, 2006 through September 30, 2006	\$75,103.50	\$633.57	\$ 60,082.80
Totals Eleventh Quarterly	July 1, 2006 through September 30, 2006	\$288,706.50	\$1,698.54	\$230,965.20
December 20, 2006	October 1, 2006 Through October 31, 2006	\$63,155.50	\$206.40	\$50,524.40

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Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
January 22, 2007	November 1, 2006 Through November 30, 2006	\$98,985.50	\$809.09	\$79,997.49
March 20, 2007	December 1, 2006 Through December 31, 2006	\$59,630.50	\$381.70	\$47,704.40
Totals Twelfth Quarterly	October 1, 2006 through December 31, 2006	\$221,771.50	\$1,397.19	\$177,417.20
April 20, 2007	January 1, 2007 through January 31, 2007	\$55,703.00	\$ 166.00	\$44,562.40
April 20, 2007	February 1, 2007 through February 28, 2007	\$87,120.50	\$ 344.89	\$69,696.40
June 29, 2007	March 1, 2007 through March 31, 2007	\$119,047.50	\$472.38	\$95,238.00
Totals Thirteenth Quarterly	January 1, 2007 through March 31, 2007	\$261,871.00	\$983.27	\$209,496.80
June 29, 2007	April 1, 2007 through April 30, 2007	\$77,267.00	\$221.70	\$61,813.60
July 3, 2007	May 1, 2007 through May 31, 2007	\$101,181.00	\$838.49	\$80,944.80
August 31, 2007	June 1, 2007 through June 30, 2007	\$90,040.50	\$744.21	\$72,032.40
Totals Fourteenth Quarterly	April 1, 2007 Through June 30, 2007	\$268,488.50	\$1804.40	\$214,790.80

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October 23, 2007	July 1, 2007 through July 31, 2007	\$78,971.00	\$636.29	\$63,176.80
October 23, 2007	August 1, 2007 through August 31, 2007	\$74,596.00	\$184.06	\$59,676.80
November 7, 2007	September 1, 2007 through September 30, 2007	\$78,887.50	\$396.82	\$63,110.00
Total Fifteenth Quarterly	July 1, 2007 through September 30, 2007	\$232,454.50	\$1217.17	\$185,963.60
January 29, 2008	October 1, 2007 through October 31, 2007	\$51,391.50	\$293.56	\$41,113.20

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**ATTACHMENT B
TO FEE APPLICATION**

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Time Description by Task Code
4. Expense Detail

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Professional
For the Period 10/1/07 through 10/31/07

Professional	Position	Billing Rate	Hours	Fees
E. Ordway	Member	\$595	14.90	\$8,865.50
S. Cunningham	Member	\$595	24.20	\$14,399.00
J. Dolan	Consultant	\$375	73.40	\$27,525.00
M. Desalvio	Research	\$160	0.20	\$32.00
N. Backer	Paraprofessional	\$100	5.70	\$570.00
For the Period 10/1/07 through 10/31/07			118.40	\$51,391.50

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Task Code
For the Period 10/1/07 through 10/31/07

Task Code	Task Description	Hours	Fees
01. Acquisitions/Divestitures	During the Fee Application period, the Applicant discussed numerous potential acquisitions with the Debtor and its advisors and reported our findings to counsel and the committee.	8.20	\$3,867.00
03. Claims Analysis & Valuation	During the Fee Application period, the Applicant prepared various analyses of claims, reviewed recovery scenarios under various assumptions and prepared interest accrued scenarios, and analyses of the Asbestos POR.	39.60	\$17,930.00
04. Creditor Committee Matters	During the Fee Application period, the Applicant discussed case issues with Counsel and Committee members.	6.00	\$2,207.00
06. Environmental Mtrs/Regs/Litig.	During the Fee Application period, the Applicant analyzed environmental claims, reviewed Debtors presentation regarding the status of various environmental matters and participated in a meeting with Debtors and Counsel.	22.30	\$10,914.50
07. Fee Applications & Invoices	During the Fee Application Period, the Applicant prepared the July, August and September monthly Fee Statements, and the Fifteenth Quarterly Fee Statement.	17.30	\$5,096.00
08. Financial Analysis - Schedules & Statements	During the Fee Application Period, the Applicant analyzed data regarding August monthly reports and Q3 results by comparing sales, EBIT, and gross margin to Plan and prior year.	13.50	\$5,788.50
26. Meetings with Debtors/Advisors	During the Fee Application Period, the Applicant prepared for and participated in a meeting regarding environmental matters.	11.50	\$5,588.50
Totals for the Period 10/1/07 through 10/31/07		118.40	\$51,391.50

W.R. Grace & Co.
Capstone Advisory Group, LLC
Detailed Time Description by Task Code
For the Period 10/1/07 through 10/31/07

Date	Professional	Hours	Detailed Time Description
01. Acquisitions/Divestitures			
10/1/2007	J. Dolan	0.40	Requested information from Blackstone regarding M&A transactions.
10/4/2007	J. Dolan	1.60	Prepared for and participated in discussions with Blackstone and the Company regarding potential acquisitions.
10/4/2007	J. Dolan	2.60	Prepared potential acquisition summary for team and counsel.
10/9/2007	E. Ordway	1.30	Prepared/edited report to Committee regarding potential acquisitions.
10/10/2007	S. Cunningham	2.30	Review acquisition update and information.
Subtotal		8.20	
03. Claims Analysis & Valuation			
10/1/2007	J. Dolan	1.60	Analyzed environmental claims and proposed settlements as presented at 9/26 meeting.
10/3/2007	J. Dolan	1.50	Read and analyzed memos from counsel regarding PD settlements.
10/5/2007	J. Dolan	4.30	Updated recovery analysis based on changes in assumptions.
10/22/2007	J. Dolan	3.70	Updated recovery analysis including Scaled Air settlement, interest calculation, environmental settlement.
10/26/2007	J. Dolan	2.40	Read and analyzed POR received.
10/26/2007	J. Dolan	3.30	Updated recovery analysis based on POR and various other assumptions.
10/26/2007	S. Cunningham	2.30	Reviewed POR term sheet and analyzed proposal.
10/26/2007	J. Dolan	1.50	Prepared plan comparison analysis.
10/27/2007	J. Dolan	0.80	Revisions to recovery analysis.
10/28/2007	S. Cunningham	2.00	Reviewed and updated recovery analysis using POR term sheet assumptions.
10/29/2007	S. Cunningham	2.40	Review and analyze hypothetical recovery under various claims scenarios.
10/29/2007	J. Dolan	2.20	Updated recovery analysis based on changes in assumptions.

Date	Professional	Hours	Detailed Time Description
10/30/2007	S. Cunningham	3.00	Reviewed Enterprise valuation and claims assumptions per POR term sheet.
10/30/2007	J. Dolan	1.90	Prepared analysis comparing plan components and incorporated changes from review.
10/30/2007	E. Ordway	0.80	Reviewed POR term sheet and analyzed proposal.
10/31/2007	S. Cunningham	2.60	Review and summarize hypothetical recovery analysis at various levels.
10/31/2007	J. Dolan	2.40	Prepared for and participated in call with counsel regarding POR and related analysis.
10/31/2007	E. Ordway	0.90	Analyzed POR proposal.
Subtotal		39.60	
04. Creditor Committee Matters			
10/2/2007	J. Dolan	1.50	Committee matters - read and analyzed recent docket submissions.
10/11/2007	J. Dolan	1.20	Committee Matters - read and analyzed of recent docket submissions.
10/15/2007	J. Dolan	0.50	Committee matters - review of dockets.
10/15/2007	J. Dolan	1.20	Committee matters - updated work plan.
10/22/2007	J. Dolan	0.90	Committee Matters - read and analyzed recent docket submissions.
10/22/2007	J. Dolan	0.50	Committee matters - updated work plan.
10/29/2007	M. Desalvio	0.20	Retrieve share information for team.
Subtotal		6.00	
06. Environmental Mtrs/Regs/Litig.			
10/1/2007	E. Ordway	0.30	Read rebuttal update.
10/2/2007	E. Ordway	0.80	Continued to read rebuttal reports.
10/3/2007	E. Ordway	0.70	Read and analyzed counsels' memo regarding settlements with insurance carriers.
10/10/2007	J. Dolan	0.50	Requested information for environmental meeting on 10/24.
10/12/2007	E. Ordway	0.50	Analyzed information regarding environmental claims.
10/15/2007	J. Dolan	0.90	Prepared environmental reserve analysis.

Date	Professional	Hours	Detailed Time Description
10/15/2007	J. Dolan	2.00	Read and analyzed prior environmental memos to assist in current settlement analysis.
10/18/2007	S. Cunningham	2.50	Review historical EPA data and claims summary.
10/18/2007	E. Ordway	1.60	Analyzed data/history regarding environmental claims.
10/19/2007	S. Cunningham	1.50	Review EPA data in preparation of meeting with Company and counsel.
10/19/2007	J. Dolan	1.60	Prepared for environmental meeting on 10/24.
10/19/2007	E. Ordway	1.40	Read and analyzed environmental remediation claim data.
10/23/2007	J. Dolan	1.80	Prepared environmental reserve analysis.
10/23/2007	S. Cunningham	2.30	Read and analyzed EPA information in preparation for meeting with company.
10/23/2007	J. Dolan	3.90	Read and analyzed environmental information received for meeting on 10/24.
Subtotal		22.30	
07. Fee Applications & Invoices			
10/2/2007	J. Dolan	0.30	Communicated with Company regarding past due invoices.
10/2/2007	J. Dolan	0.90	Prepared July fee application and invoice analysis.
10/3/2007	J. Dolan	0.80	Prepared August fee application.
10/5/2007	N. Backer	0.50	Prepared August fee application.
10/8/2007	N. Backer	1.20	Prepared August and September Fee applications.
10/11/2007	J. Dolan	1.00	Prepared of July fee application and invoice follow-up.
10/11/2007	J. Dolan	0.90	Prepared 2nd quarter fee application.
10/15/2007	J. Dolan	0.80	Final review and distribution of 2nd quarter fee application.
10/16/2007	N. Backer	3.00	Prepared August and September Fee applications.
10/18/2007	N. Backer	1.00	Prepared August and September Fee applications.
10/22/2007	J. Dolan	1.40	Prepared August fee application.
10/22/2007	J. Dolan	1.00	Prepared July fee application.

Date	Professional	Hours	Detailed Time Description
10/23/2007	E. Ordway	0.60	Prepared fee application.
10/25/2007	J. Dolan	1.50	Prepared and finalized August fee application.
10/25/2007	E. Ordway	0.20	Prepared fee application.
10/25/2007	J. Dolan	0.50	Final review and distribution of July fee application.
10/25/2007	J. Dolan	1.70	Prepared September fee application.
Subtotal		17.30	
08. Financial Analysis - Schedules & Statements			
10/2/2007	J. Dolan	2.80	Read and analyzed August 2007 monthly operating reports.
10/18/2007	J. Dolan	2.90	Prepared analysis for 3Q07 results report to the Committee.
10/18/2007	J. Dolan	1.70	Read and analyzed company website for current issues affecting the 3Q07 report to the Committee.
10/25/2007	S. Cunningham	3.30	Review preliminary Q3 financial performance data.
10/25/2007	J. Dolan	1.50	Prepared snapshot of 3Q07 results actual vs plan vs prior year.
10/25/2007	J. Dolan	1.30	Read and analyzed Company press release.
Subtotal		13.50	
26. Meetings with Debtors/Advisors			
10/24/2007	E. Ordway	1.80	Prepared for meeting with Debtor regarding various property settlements by reviewing documents provided.
10/24/2007	E. Ordway	3.20	Participated in meeting with Debtors to discuss property damage settlement proposals.
10/24/2007	E. Ordway	0.30	Met with counsel to debrief and discuss next steps.
10/24/2007	J. Dolan	5.70	Prepared for and participated in environmental meeting with the Company.
10/31/2007	E. Ordway	0.50	Call with counsel to discuss POR proposals/term sheet.
Subtotal		11.50	
Total Hours		118.40	

W.R. Grace & Co.
Capstone Advisory Group, LLC
Expense Detail
For the Period 10/1/07 through 10/31/07

Date	Professional	Detail	Amount
Parking/Tolls			
10/24/2007	E. Ordway	Parking \$40.20 - Tolls \$6.00	\$46.20
10/24/2007	J. Dolan	Parking \$34.20 - Tolls \$6.00	\$40.20
Subtotal - Parking/Tolls			\$86.40
Research			
10/31/2007	Capstone Expense	October Bloomberg	\$32.00
10/31/2007	Capstone Expense	Pacer for October	\$6.40
Subtotal - Research			\$38.40
Scans			
10/31/2007	Capstone Expense	October Scans 71 @ 1.00 each	\$71.00
Subtotal - Scans			\$71.00
Telecom			
10/31/2007	Capstone Expense	October telecom	\$97.76
Subtotal - Telecom			\$97.76
For the Period 10/1/07 through 10/31/07			\$293.56